

22 April 1955

MEMORANDUM FOR THE RECORD --

Concerning letter to the Hon. Rowland R. Hughes,
Director of the Bureau of the Budget, giving Agency
comments on a report to the Congress, prepared by the
Hoover Commission on work of the Executive Branch of
the Government covering the general field of Govern-
ment Transportation Functions.

25X1C4A

An analysis of the "Report to the Congress" on transportation, as prepared
by the "Commission on Organization of the Executive Branch of the Government"
(Hoover Commission), discloses that the Central Intelligence Agency has little
direct concern with any of the several recommendations made regarding shipment
of cargo as the bulk of this Agency's cargo movements are processed through
[redacted] channels and from a security viewpoint,
the continued utilization of these channels is to be desired regardless of any
changes adopted by the concerned shipper as a result of the commission report.

25X1C

[redacted]

cargo is, at present, shipped commercially within the United States utilizing
Government Bills of Lading directly chargeable to CIA. This traffic is limited
to items which are not sensitive, security-wise, but such an operation by CIA
is specifically authorized by Public Law 152. Section 201 of this law, which
requires that all civilian type government agencies shall have certain common
functions performed for them by General Services Administration, states:
"the Administrator (GSA) shall...prescribe policies and methods of...trans-
portation and traffic management." However, Section 502, P. L. 152, specifi-
cally exempts this Agency from such control by stating: "Nothing in this Act
shall impair or affect any authority of Central Intelligence Agency."

The Commission in its report to Congress appears to recognize the necessity
for the continued exemption of certain agencies from GSA traffic management
control, as originally authorized by P. L. 152, and in its Recommendation
Number 20.(a) states: "That existing laws be modified to provide that civilian
agencies now exempted from central traffic management by the General Services
Administration be no longer so exempted, except for the movement of the mails
or for the movement of security-classified goods."

25X1C

With reference to the movement of passenger traffic, it should be noted
that this Agency has consistently utilized commercial American-flag carriers
wherever possible and that, therefore, the adoption by the Congress, of those
recommendations which call for the utilization of commercial facilities to a
greater extent, will result in little or no change in the existing policy of
[redacted]

OL/TD/PAC/JAL:elm (22 Apr 55)

Planning and Control Staff/TD/OL

25X1A9A

DISTRIBUTION: Approved For Release 2002/08/06 : CIA-RDP78-04718A001500060039-9

Orig & 4 - Addressee 1 - OL/AS

2 - Office of DD/S 1 - TD